

STATE OF OKLAHOMA

1st Session of the 53rd Legislature (2011)

HOUSE BILL 1427

By: Walker

AS INTRODUCED

An Act relating to the Teachers' Retirement System of Oklahoma; amending 74 O.S. 2001, Section 1316.3, as last amended by Section 3, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2010, Section 1316.3), which relates to payments for certain health care costs; modifying amounts payable to retirees; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 74 O.S. 2001, Section 1316.3, as last amended by Section 3, Chapter 198, O.S.L. 2005 (74 O.S. Supp. 2010, Section 1316.3), is amended to read as follows:

Section 1316.3 A. Any person who retires pursuant to the provisions of the Teachers' Retirement System of Oklahoma with at least ten (10) years of creditable service or who has a vested benefit with at least ten (10) years of creditable service, pursuant to the provisions of the Teachers' Retirement System of Oklahoma may continue in force the health and dental insurance benefits authorized by the provisions of the State and Education Employees Group Insurance Act if such election to continue in force or begin

1 is made within thirty (30) days from the date of termination of
2 service. Except as provided in subsection E of Sections 5-117.5 and
3 14-108.1 of Title 70 of the Oklahoma Statutes and Section 840-2.27I
4 of this title and subsection K of this section, health and dental
5 insurance coverage may not be reinstated at a later time if the
6 election to continue in force or begin coverage is declined. Vested
7 persons who have terminated service and are not receiving benefits
8 and effective July 1, 1996, nonvested persons who have terminated
9 service with more than ten (10) years of participating service with
10 a qualifying employer, who within thirty (30) days from the date of
11 termination of service, elect to continue such coverage, shall pay
12 the full cost of said insurance premium at the rate and pursuant to
13 the terms and conditions established by the Board.

14 B. 1. Health insurance benefit plans offered pursuant to this
15 section shall include:

- 16 a. indemnity plans offered through the State and
17 Education Employees Group Insurance Board,
- 18 b. managed care plans offered as alternatives to the
19 indemnity plans,
- 20 c. Medicare supplements offered through the State and
21 Education Employees Group Insurance Board,
- 22 d. Medicare risk-sharing contracts offered as
23 alternatives to the Medicare supplements offered
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1 through the State and Education Employees Group
2 Insurance Board, and

3 e. any other employer-provided health insurance benefit
4 plans if the employer does not participate in the
5 plans offered pursuant to the State and Education
6 Employees Group Insurance Act.

7 2. Health insurance benefit plans offered pursuant to this
8 section shall provide prescription drug benefits, except for plans
9 designed pursuant to the Medicare Prescription Drug Improvement and
10 Modernization Act of 2003, which may or may not contain prescription
11 drug benefits, for which provision of prescription drug benefits is
12 optional, and except for plans offered pursuant to subparagraph e of
13 paragraph 1 of this subsection.

14 C. A retired person who:

15 1. Is receiving benefits from the Teachers' Retirement System
16 of Oklahoma after September 30, 1988, is under sixty-five (65) years
17 of age and is not otherwise eligible for Medicare and pursuant to
18 subsection A of this section elects to begin or to continue the
19 health insurance plan;

20 2. Is receiving benefits from the Teachers' Retirement System
21 of Oklahoma after June 30, 1993, is under sixty-five (65) years of
22 age and is not otherwise eligible for Medicare and participates in a
23 health insurance plan provided by a participating education employer
24 of the Teachers' Retirement System of Oklahoma other than a health

1 insurance plan offered pursuant to the State and Education Employees
2 Group Insurance Act or an alternative health plan offered pursuant
3 to the Oklahoma State Employees Benefits Act;

4 3. Is receiving benefits from the Teachers' Retirement System
5 of Oklahoma after September 30, 1988, made contributions to the
6 system and is sixty-five (65) years of age or older, or who is under
7 sixty-five (65) years of age and is eligible for Medicare and is a
8 participant in the State and Education Employees Group Insurance Act
9 and elects coverage under the Medicare supplement offered by the
10 State and Education Employees Group Insurance Board; or

11 4. Is receiving benefits from the Teachers' Retirement System
12 of Oklahoma after June 30, 1993, made contributions to the system
13 and is sixty-five (65) years of age or older, or who is under sixty-
14 five (65) years of age and is eligible for Medicare and participates
15 in a health insurance plan provided by a participating education
16 employer of the Teachers' Retirement System of Oklahoma other than a
17 health insurance plan offered pursuant to the State and Education
18 Employees Group Insurance Act or an alternative health plan offered
19 pursuant to the Oklahoma State Employees Benefits Act and elects
20 coverage under the Medicare supplement offered by the State and
21 Education Employees Group Insurance Board,
22 shall have the amount determined pursuant to subsection E of this
23 section, or the premium rate of the health insurance benefit plan,
24 whichever is less, paid by the Teachers' Retirement System of

Oklahoma. If the amount paid by the Teachers' Retirement System of Oklahoma does not cover the full cost of the health insurance premium, the retired person shall pay the remaining amount if the retired person wants to continue the coverage.

D. The Teachers' Retirement System shall pay the amount due pursuant to the provisions of subsection C of this section as follows:

1. For those individuals participating in plans provided through the State and Education Employees Group Insurance Act, payment shall be made to the Board pursuant to the provisions of subsection I of this section; or

2. For those individuals participating in plans provided through a participating education employer of the Teachers' Retirement System of Oklahoma other than a health insurance plan offered pursuant to the State and Education Employees Group Insurance Act, payment shall be made to the education employer.

E. Beginning July 1, ~~2000~~ 2011, the maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retired person toward said person's monthly premium for health insurance shall be determined in accordance with the following schedule:

	LESS THAN		
	25 YEARS BUT		GREATER
	LESS THAN	GREATER THAN	THAN 24.99
AVERAGE SALARY	15 YEARS OF	14.99 YEARS OF	YEARS OF

1	USED FOR DETERMINING	CREDITABLE	CREDITABLE	CREDITABLE
2	RETIREMENT ALLOWANCE	SERVICE	SERVICE	SERVICE
3	Less than \$20,000.00	\$103.00	\$104.00	\$105.00
4		<u>\$203.00</u>	<u>\$204.00</u>	<u>\$205.00</u>
5	Less than \$30,000.00 but			
6	greater than \$19,999.99	\$102.00	\$103.00	\$104.00
7		<u>\$202.00</u>	<u>\$203.00</u>	<u>\$204.00</u>
8	Less than \$40,000.00 but			
9	greater than \$29,999.99	\$101.00	\$102.00	\$103.00
10		<u>\$201.00</u>	<u>\$202.00</u>	<u>\$203.00</u>
11	\$40,000.00 or greater	\$100.00	\$101.00	\$102.00
12		<u>\$200.00</u>	<u>\$201.00</u>	<u>\$202.00</u>

13 For plans offered by the State and Education Employees Group
14 Insurance Board, the amount paid pursuant to this subsection shall
15 first be applied to the prescription drug coverage premium, if any.
16 Any remaining amounts shall be applied towards the medical coverage
17 premium.

18 F. If a person retires and begins to receive benefits from the
19 Teachers' Retirement System of Oklahoma or terminates service and
20 has a vested benefit with the Teachers' Retirement System of
21 Oklahoma, the person may elect, in the manner provided in subsection
22 A of this section, to participate in the dental insurance plan
23 offered through the State and Education Employees Group Insurance
24 Act. The person shall pay the full cost of the dental insurance.

1 G. Those persons who are receiving benefits from the Teachers'
2 Retirement System of Oklahoma and have health insurance coverage
3 which on the operative date of this section is being paid by the
4 education entity from which the person retired shall make the
5 election required in subsection A of this section within thirty (30)
6 days of the termination of said health insurance coverage. The
7 person making the election shall give the Board certified
8 documentation satisfactory to the Board of the termination date of
9 the other health insurance coverage.

10 H. Dependents of a deceased education employee who was on
11 active work status or on a disability leave at the time of death or
12 of a participating retirant or of any person who has elected to
13 receive a vested benefit under the Teachers' Retirement System of
14 Oklahoma may continue the health and dental insurance benefits in
15 force provided said dependents pay the full cost of such insurance
16 and they were covered as eligible dependents at the time of such
17 death and such election is made within thirty (30) days of date of
18 death. The eligibility for said benefits shall terminate for the
19 surviving children when said children cease to qualify as
20 dependents.

21 I. The amounts required to be paid by the Teachers' Retirement
22 System of Oklahoma pursuant to this section shall be forwarded no
23 later than the tenth day of each month following the month for which
24 payment is due by the Board of Trustees of the Teachers' Retirement

1 System of Oklahoma to the State and Education Employees Group
2 Insurance Board for deposit in the Education Employees Group
3 Insurance Reserve Fund.

4 J. The Teachers' Retirement System of Oklahoma shall provide
5 the State and Education Employees Group Insurance Board information
6 concerning the employers of retired and vested members necessary to
7 allow the State and Education Employees Group Insurance Board to
8 track eligibility for continued coverage.

9 K. Upon retirement from employment with the Board of Regents of
10 the University of Oklahoma, any person who is or was employed at the
11 George Nigh Rehabilitation Institute and who transferred employment
12 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any
13 person who was employed at the Medical Technology and Research
14 Authority and who transferred employment pursuant to Section 7068 of
15 this title, and any person who is a member of the Oklahoma Law
16 Enforcement Retirement System pursuant to the authority of Section
17 2-314 of Title 47 of the Oklahoma Statutes may participate in the
18 benefits authorized by the provisions of the State and Education
19 Employees Group Insurance Act for retired participants, including
20 health, dental and life insurance benefits, if such election to
21 participate is made within thirty (30) days from the date of
22 termination of employment. Life insurance benefits for any such
23 person who transferred employment shall not exceed the coverage the
24 person had at the time of such transfer. Retirees who are persons

1 transferred employment and who participate pursuant to this
2 paragraph shall pay the premium for elected benefits less any
3 amounts paid by the retirement system pursuant to this section.

4 SECTION 2. This act shall become effective July 1, 2011.

5 SECTION 3. It being immediately necessary for the preservation
6 of the public peace, health and safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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10 53-1-5792 MAH 12/14/10
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December 30, 2010

Representative Purcy Walker
Room 541

Re: RBH No. 5792

RBH No. 5792 increases the amount paid by Oklahoma Teachers Retirement System paid toward monthly health insurance for retired participants by \$100 per month.

RBH No. 5792 is a retirement bill having a fiscal impact as defined by the Oklahoma Pension Legislation Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA